



Office *of the* Inspector General

SOCIAL SECURITY ADMINISTRATION

## Press Release

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### **More than 100 Indicted in New York City-Based Multi-Million-Dollar Disability Fraud Scheme**

Social Security Administration (SSA) Inspector General Patrick P. O’Carroll, Jr. and Manhattan District Attorney Cyrus R. Vance, Jr. today announced that more than 100 individuals—many of them retired New York City police officers and firefighters—have been indicted for their alleged involvement in a vast and longstanding criminal conspiracy to defraud SSA out of millions of dollars.

The total amount of fraudulent disability benefits allegedly taken from SSA through this scheme exceeds \$23.2 million. Along with 102 Social Security Disability Insurance beneficiaries, four of the scheme’s “facilitators”—two recruiters, an attorney, and a disability consultant—were also charged. Eighty of those indicted have been arrested today, with more to follow.

The investigation dates back to 2008, when SSA and State disability examiners referred suspicious disability claims to the OIG’s New York [Cooperative Disability Investigations](#) (CDI) unit. We identified a potential criminal conspiracy based on similar medical documentation claiming mental disabilities, some based on participation in the events following the September 11 terrorist attacks. Uncovering this criminal conspiracy required the exhaustive review of thousands upon thousands of pages of disability records by CDI and SSA personnel, surveillances, and other complex investigative techniques.

The scheme allegedly consisted of former NYPD officers acting as “recruiters” who coached disability applicants how to act during examinations and interviews, and what to put on their SSA applications. They would also refer them to cooperating facilitators, including an attorney, a disability consultant, and one of two doctors. With coaching and medical documentation, many of these individuals were approved for disability benefits. As payment, the new beneficiaries would then be instructed to withdraw more than a year’s worth of benefits from their bank accounts, in small withdrawals to avoid IRS reporting, and give the cash to the recruiters, who would share it with the facilitators.

As a result of the indictments, SSA will suspend the benefits of those charged, as well as their spouses and children, if applicable. This investigation, which remains active and ongoing, involves SSA, the OIG, the New York County District Attorney’s Office, and the NYPD.

We have established a special toll-free fraud hotline at (877) 471-6012 where individuals can report additional information connected with this indictment or other suspected Social Security fraud. Reports of fraud may also be sent to the OIG online at the following address: <http://oig.ssa.gov/report>.

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